

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6477

BILL NUMBER: HB 1341

NOTE PREPARED: Dec 15, 2005

BILL AMENDED:

SUBJECT: Cy Pres; Trusts and Public Benefit Corporations.

FIRST AUTHOR: Rep. GiaQuinta

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill allows a court (under the Cy Pres Doctrine) to prevent failure of a public benefit corporation that has substantially changed its purpose by directing property donated to the corporation to another charitable purpose consistent with the donor's general intent to devote the property to general charitable purposes. It provides that the following may bring an action under the Cy Pres Doctrine against a trust for a benevolent public purpose or a public benefit corporation: (1) The settlor of the trust. (2) A beneficiary of the trust or corporation. (3) The Attorney General. (4) A donor to a trust or corporation if the donor has contributed at least \$1,000 to the trust or corporation and the trust or corporation has solicited and received more than \$25,000 in public donations or public contributions. (5) A beneficiary of the corporation. (6) A taxpayer of a governmental entity that has provided more than \$500,000 in tax subsidies, tax credits, or tax exemptions to the trust or charitable nonprofit corporation. It also allows a living heir of a donor of a charitable contribution to a trust or corporation to present evidence of the intent of the donor.

Effective Date: July 1, 2006.

Explanation of State Expenditures: The Attorney General's Office could incur additional expenses if the Attorney General chooses to bring actions against charitable trusts or nonprofit corporations under the Cy Pres Doctrine as a result of this bill. The current staffing and resource levels in the AG's Office should be sufficient to carry out these additional court actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General's Office.

Local Agencies Affected:

Information Sources:

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